GENERAL STUDIES III

DAC ₹2.12 Lakh Crore Approval 2026: UPSC Analysis

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The Defence Acquisition Council (DAC), chaired by India's Defence Minister, reportedly granted Acceptance of Necessity (AoN) for capital acquisition proposals valued at approximately ₹2.12 lakh crore on 26 October 2026. The proposals span Indian Army mobility and surveillance, drones and counter-drone systems, very short-range air defence, naval decoy systems, helicopters and other Air Force requirements. Around 82% of the reported proposal value is intended for Indian industry. However, AoN is an in-principle procurement approval, not a signed contract or confirmation of delivery. The development highlights India's priorities in military modernisation, defence indigenisation, technological preparedness, fiscal accountability and strategic autonomy. It is relevant to UPSC GS Paper III, GS Paper II and Prelims. Verification note: The October 2026 amount, date, proposal categories and 82% figure follow your uploaded article and have not been independently verified against an official Ministry of Defence release.

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UPSC CIVIL SERVICES EXAMINATION PREPARATION

UPSC CURRENT AFFAIRS 2026 | DEFENCE & SECURITY

Understanding India's reported October 2026 defence acquisition proposals, indigenous manufacturing, unmanned systems and procurement accountability.

By Civil Service Gurukul Editorial Team | 28 October 2026

Executive Summary

On 26 October 2026, the Defence Acquisition Council reportedly accorded Acceptance of Necessity for capital acquisition proposals valued at approximately ?2.12 lakh crore.

The proposals cover multiple requirements of the Indian Army, Indian Navy and Indian Air Force.

The reported package includes drones, counter-drone systems, air defence, surveillance, mobility and naval capabilities.

Around 82% of the proposal value is reportedly intended for Indian industry.

However, Acceptance of Necessity is an in-principle procurement approval. It is not a signed contract, confirmed delivery or operational deployment.

REPORTED AON VALUE

?2.12 Lakh Crore

REPORTED DOMESTIC SHARE

About 82%

DECISION DATE

26 October 2026

UPSC Syllabus Mapping

Prelims: Defence institutions, acquisition terminology, unmanned systems and air-defence technologies.

GS Paper II: Governance, accountability and institutional decision-making.

GS Paper III: Security challenges, defence modernisation, indigenisation and technological self-reliance.

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1. Why Is the Defence Acquisition Council in the News?

India's military modernisation must respond to changing security threats, technological developments and the growing importance of unmanned systems.

According to the supplied October 2026 report, the Defence Acquisition Council accorded Acceptance of Necessity for capital acquisition proposals worth approximately ?2.12 lakh crore on 28 October 2026.

The reported package includes requirements of the Army, Navy and Air Force.

The decision highlights the importance of technological preparedness, defence industrial capacity and timely procurement.

Important UPSC Clarification

An AoN announcement should not be interpreted as a completed purchase.

Approval, contracting, delivery and operational deployment are different stages of defence capability development.

2. What Is the Defence Acquisition Council?

The Defence Acquisition Council is the Ministry of Defence's apex decision-making body for major capital acquisition proposals.

It is chaired by the Defence Minister.

The Council plays an important role in considering major military equipment requirements and acquisition proposals.

Why is the DAC important?

- It supports decisions on major capital acquisitions.
- It helps align procurement with defence priorities.
- It is relevant to military modernisation.
- Its decisions influence the acquisition pipeline.
- Its work connects security requirements with public expenditure.

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3. What Is Acceptance of Necessity (AoN)?

Acceptance of Necessity is an in-principle approval that recognises the requirement for a proposed defence acquisition.

It is an important stage in the formal acquisition pathway.

However, it does not establish that equipment has been ordered, delivered or deployed.

Stages that may follow AoN

1. Preparation of acquisition documentation.
2. Tendering or other applicable procurement processes.
3. Technical evaluation.
4. Trials and testing, where applicable.
5. Commercial negotiations.
6. Required approvals.
7. Contract execution.
8. Delivery, integration and operational use.

The exact sequence depends on the applicable acquisition category and procedure.

> **UPSC Prelims Concept**
>
> AoN means Acceptance of Necessity, not a final purchase order.

4. Key Defence Proposals in the October 2026 Package

The supplied report identifies a range of proposed capabilities across India's armed forces.

Service	Reported Proposal Areas	Strategic Relevance
Indian Army	Mobility, artillery, surveillance drones, counter-UAS and VSHORADS	Battlefield awareness, protection and operational mobility
Indian Navy	Active offboard decoys and major platforms	Maritime defence and platform survivability
Indian Air Force	Helicopters, air defence and X-band Doppler weather radars	Air operations, defence readiness and weather awareness

These categories reflect the reported proposal areas. The source does not establish that every proposed system has been contracted or delivered.

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5. Why Are Drones and Counter-Drone Systems Important?

Unmanned aerial systems are increasingly important for reconnaissance, target acquisition, logistics and precision operations.

They can support military awareness and reduce the need to expose personnel to certain high-risk missions.

However, hostile drones also create serious security challenges.

Why counter-drone capability matters

- Protection of personnel.
- Protection of military infrastructure.
- Defence against surveillance threats.
- Detection of hostile unmanned platforms.
- Integration with electronic warfare and air defence.

An inexpensive hostile drone may threaten an expensive military platform.

Therefore, defence modernisation requires integrated sensors, trained personnel, electronic warfare and appropriate countermeasures.

6. Air Defence and VSHORADS

VSHORADS stands for Very Short Range Air Defence Systems.

Such systems form part of the broader architecture for protecting military forces and assets against aerial threats.

Modern air defence requires coordination among surveillance, detection, command systems and interception capabilities.

Important UPSC concepts

- Very short-range air defence.
- Integrated air-defence networks.
- Counter-unmanned aerial systems.
- Electronic warfare.
- Operational interoperability.

Procurement of isolated platforms is not sufficient without training, integration and sustainment.

7. Naval Security and Active Offboard Decoy Systems

The supplied report identifies active offboard decoy systems among the naval proposal areas.

An active offboard decoy is intended to divert hostile anti-ship missiles away from a naval vessel.

Such systems are relevant to the survivability of ships in contested maritime environments.

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Why naval survivability matters

- Protection of high-value platforms.
- Resilience against missile threats.
- Maintenance of maritime operational capability.
- Protection of naval personnel.
- Improved defensive preparedness.

8. Atmanirbhar Bharat and Indigenous Defence Manufacturing

The supplied report states that approximately 82% of the proposed acquisition value is intended for Indian industry.

Domestic procurement can potentially strengthen industrial capacity, generate skilled employment and reduce dependence on external suppliers.

However, genuine indigenisation requires more than domestic assembly.

Important indicators of indigenisation

- Domestic intellectual-property ownership.
- Local value addition.
- Reliable domestic supply chains.
- Availability of critical components.
- Repair and maintenance capability.
- Research and development capacity.
- Long-term technology control.

An Indian assembly line that remains dependent on imported critical components may continue to face strategic vulnerabilities.

> **Important Data Interpretation**
>
> The reported 82% figure refers to the intended domestic sourcing share at the proposal stage.
>
> It is not a verified statistic showing that 82% of equipment has already been manufactured or delivered.

9. Economic and Strategic Implications

Defence procurement can influence industrial development, employment, innovation and strategic autonomy.

Potential benefits

- Strengthening domestic defence production.
- Development of advanced manufacturing capabilities.

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- Creation of high-skill employment.
- Expansion of research and development.
- Improved maintenance ecosystems.
- Reduced vulnerability to external supply disruptions.

However, the scale of these benefits depends on actual contracts, domestic content, delivery schedules and industrial performance.

10. Major Challenges in Defence Procurement

Large defence acquisition programmes must balance operational urgency with accountability and technical scrutiny.

Key challenges

- Long procurement timelines.
- Technical evaluation requirements.
- Cost escalation risks.
- Dependence on imported components.
- Supply-chain vulnerabilities.
- Maintenance and training requirements.
- Quality assurance.
- Coordination among services.
- Lifecycle cost management.

A large acquisition announcement should be assessed not only by its headline value but also by delivery outcomes and sustained operational capability.

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11. Policy Priorities and the Way Forward

India's defence acquisition strategy should combine timely modernisation with industrial resilience and responsible public expenditure.

Recommended priorities

1. Monitor AoN-to-contract timelines.
2. Track contract-to-delivery performance.
3. Strengthen domestic testing infrastructure.
4. Develop critical components and electronics.
5. Invest in indigenous research and development.
6. Improve repair and maintenance ecosystems.
7. Integrate drones and counter-drone systems into joint training.
8. Conduct lifecycle-cost assessments.
9. Strengthen quality assurance.

10. Maintain appropriate parliamentary and institutional oversight while protecting classified information.

12. UPSC Prelims Quick Revision Notes

- **DAC:** Defence Acquisition Council.
- **Chairperson:** Defence Minister.
- **AoN:** Acceptance of Necessity.
- **Reported AoN value:** Approximately ?2.12 lakh crore.
- **Reported decision date:** 26 October 2026.
- **Reported domestic sourcing intention:** About 82%.
- **VSHORADS:** Very Short-Range Air Defence Systems.
- **UAS:** Unmanned Aerial Systems.
- **Counter-UAS:** Systems used against hostile unmanned aerial threats.
- **Active offboard decoy:** Intended to divert hostile anti-ship missiles.
- **Critical distinction:** AoN is not a signed contract or completed delivery.

13. UPSC Prelims Practice MCQs

Question 1.

With reference to Acceptance of Necessity (AoN), consider the following statements:

1. AoN is an in-principle procurement approval.
2. AoN confirms that every proposed platform has already been delivered.
3. Subsequent procurement stages may include evaluation, negotiations and contracting.

Which statements are correct?

(a) 1 and 2 only
(b) 1 and 3 only
(c) 2 and 3 only
(d) 1, 2 and 3

Correct Answer: (b) 1 and 3 only.

AoN recognises the need for a proposed acquisition but does not establish completed procurement or delivery.

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Question 2.

Who chairs the Defence Acquisition Council?

(a) Chief of Defence Staff
(b) Defence Minister
(c) National Security Adviser
(d) Cabinet Secretary

Correct Answer: (b).

The Defence Acquisition Council is chaired by the Defence Minister.

Question 3.

What does VSHORADS stand for?

(a) Very Short-Range Air Defence Systems
(b) Vertical Strategic High-Orbit Radar Detection System
(c) Variable Surface-to-Horizon Defence Architecture
(d) Very Secure High-Output Radar Defence System

Correct Answer: (a).

VSHORADS stands for Very Short-Range Air Defence Systems.

Question 4.

Which of the following is the most appropriate interpretation of the reported 82% domestic sourcing share?

(a) It proves that 82% of all equipment has been delivered.
(b) It indicates the intended domestic sourcing share at the proposal stage.
(c) It means every critical component is manufactured in India.
(d) It confirms that no imported technology will be required.

Correct Answer: (b).

The figure describes a reported intention at the approval stage, not a verified delivery or indigenous-content outcome.

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14. UPSC Mains Practice Questions

Question 1 — GS Paper III

Assess how India can combine rapid military modernisation with transparent and resilient indigenous defence production. (250 words)

Suggested Answer Framework

India's changing security environment requires modern capabilities in unmanned systems, air defence, surveillance and maritime protection.

The reported October 2026 DAC decision illustrates the scale of planned capital acquisition requirements.

Domestic procurement can support strategic autonomy, employment and technological development.

However, procurement efficiency must be assessed through contract execution, delivery timelines, domestic intellectual property, supply-chain resilience and lifecycle costs.

The way forward involves stronger research and development, testing infrastructure, joint training, maintenance capability and transparent performance monitoring.

Effective defence modernisation therefore requires both operational speed and accountable procurement.

Question 2 — GS Paper III

Examine the strategic importance of drones and counter-drone technologies in modern warfare. (150 words)

Answer Approach

1. Explain the growing role of unmanned systems.
2. Discuss surveillance and target acquisition.
3. Highlight threats from hostile drones.
4. Explain counter-UAS and electronic warfare.
5. Discuss integration with air defence.
6. Conclude with indigenous technological preparedness.

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15. Frequently Asked Questions

What did the Defence Acquisition Council approve in October 2026?

According to the supplied report, the DAC accorded Acceptance of Necessity for capital acquisition proposals worth approximately ?2.12 lakh crore.

What is Acceptance of Necessity in defence procurement?

Acceptance of Necessity is an in-principle approval recognising a proposed acquisition requirement.

Who chairs the Defence Acquisition Council?

The Defence Acquisition Council is chaired by the Defence Minister.

Does AoN mean equipment has already been purchased?

No. AoN precedes subsequent acquisition stages and should not be equated with a signed contract or delivery.

What does the reported 82% domestic sourcing share mean?

It refers to the intended domestic sourcing mix at the proposal stage, not completed delivery.

Why are counter-drone systems important?

They help protect military personnel, platforms and infrastructure against hostile unmanned aerial threats.

Why is the DAC decision relevant for UPSC?

It connects defence institutions, security challenges, military technology, indigenous manufacturing and public expenditure accountability.

16. Conclusion: Defence Capability Requires More Than Procurement Approval

The reported ?2.12 lakh crore DAC proposal package highlights India's focus on military modernisation and defence indigenisation.

Drones, counter-drone systems, air defence and naval protection are increasingly important components of national security preparedness.

However, Acceptance of Necessity is only an early acquisition milestone.

Actual capability depends on contracts, testing, delivery, integration, training and long-term maintenance.

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For UPSC aspirants, the key lesson is to distinguish procurement announcements from operational outcomes and evaluate defence policy through strategic, technological, industrial and governance dimensions.

Defence Acquisition Council 2026 | ?2.12 Lakh Crore | Acceptance of Necessity | Defence Indigenisation | Atmanirbhar Bharat | Counter-Drone Systems | UPSC GS Paper III | Civil Service Gurukul

www.civilservicegurukul.com
+91 9911020626
info@civilservicegurukul.com

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